

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM SF -078384	
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator Patina Oil and Gas Corp.		7. If Unit or CA Agreement, Name and No. N/A	
3a. Address 1625 17th St. Suite 2000, Denver, CO 80202		8. Lease Name and Well No. * Newsom Federal 09 #30	
3b. Phone No. (include area code) 303.228.4223		9. API Well No. 30-045-33866	
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface NESW, 1969' FSL, 2183' FWL		10. Field and Pool, or Exploratory Gallardo Pictured Cliffs	
11. Sec., T., R., M., or Blk. And Survey or Area K Section 9, T26N - R8W		12. County or Parish San Juan	
13. State New Mexico		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*	
15. Distance from proposed* location to nearest property or lease line, ft. 429' (Also to nearest drlg unit line, if any)		16. No. of Acres in lease 160	
17. Spacing Unit dedicated to this well SW/4		18. Distance from proposed location* to nearest well, drilling completed, applied for, on this lease, ft. +/- 1218'	
19. Proposed Depth 2636'		20. BLM/ BIA Bond No. on file LMP 8720503	
21. Elevations (Show whether DF, RT, GR, etc.) 6430' GR		22. Approximate date work will start* Oct. 2006	
23. Estimated Duration 16 days to drill		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

Attached: Drilling Program, Surface Use Plan, BOPE Diagram and Exhibits 1 - 4.

I hereby certify that Patina Oil & Gas Corp. is responsible under the terms and conditions of the lease to conduct lease operations.
Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Bond # LMP 8720503

25. Signature 	Name (Printed/ Typed) Joe Mazotti	Date 7/24/2006
Title Regulatory Analyst		
Approved By (Signature) 	Name (Printed/ Typed) AFM	Date 10/19/06
Title AFM	Office FTO	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



* (Instructions on reverse)

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

File pit application prior to constructing location
NMOC

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.8
and appeal pursuant to 43 CFR 3165.4

FILED C104 FOR NSL

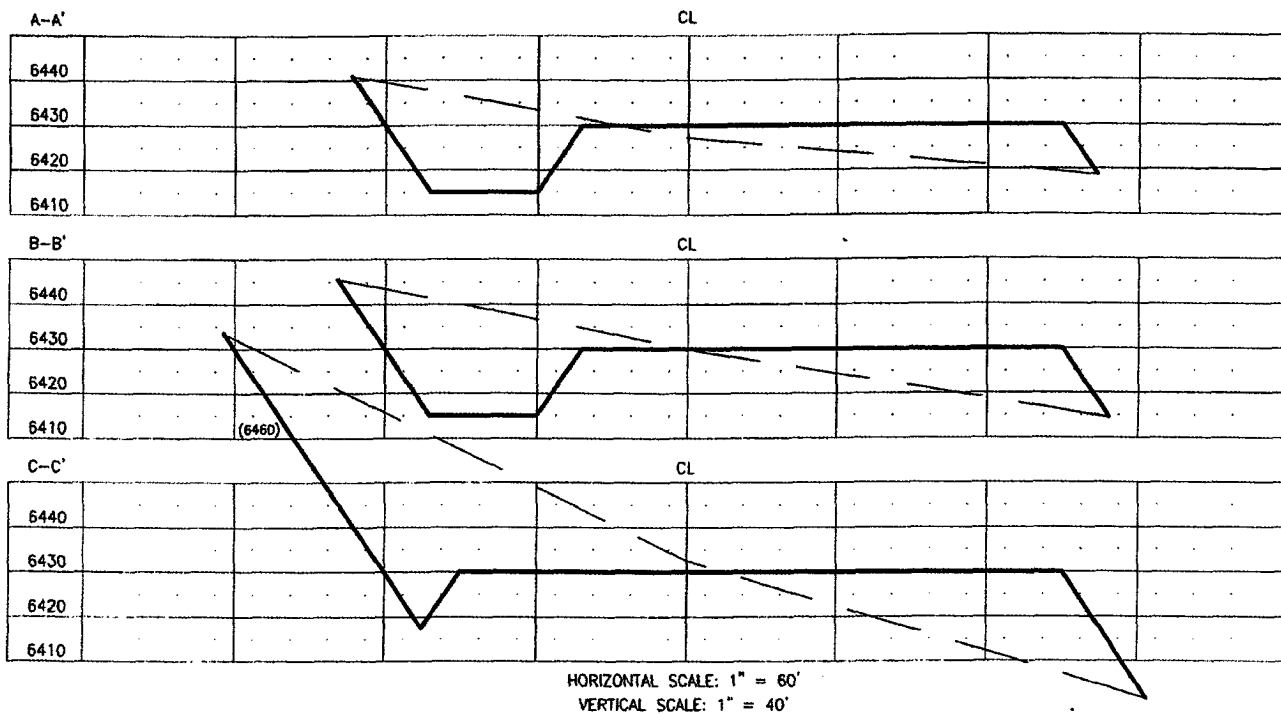
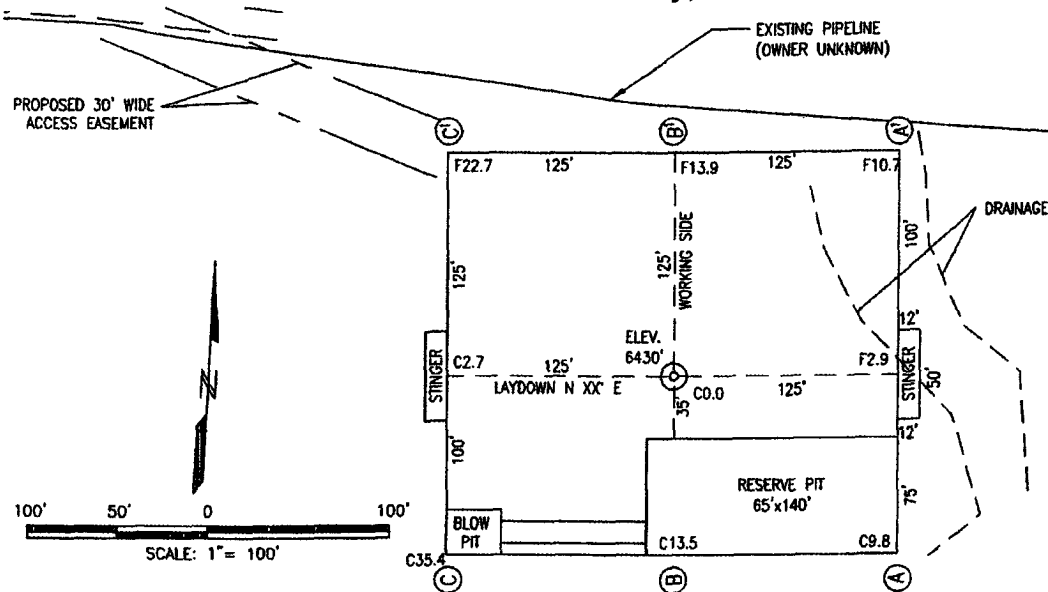
17	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Joe Mazotti Printed Name Regulatory Analyst j.mazotti@nobleengineering.com Title and e-mail Address 7/24/06 Date 18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> June 21, 2005 Date of Survey 
Dale E. Bell New Mexico Reg. PS No. 14400 For and on behalf of Trigon Epc 150 Tech Center Dr., Suite E Durango CO 81301 (970) 385-9100	

San Juan County, New Mexico

LATITUDE: 36.49972° N
LONGITUDE: 107.68917° W
DATE: 11 MAR 1927

PLAT NOTE

SURFACE OWNER

BUREAU OF LAND
MANAGEMENT

HORIZONTAL SCALE: 1" = 60'
VERTICAL SCALE: 1" = 40'

1. IT IS THE CONTRACTOR'S RESPONSIBILITY TO CALL ONE-CALL FOR LOCATION OF ALL BURIED FACILITIES ON WELL PAD AND/OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.
2. CUTS AND FILLS SHOWN ARE APPROXIMATE - FINAL FINISHED ELEVATION IS TO BE ADJUSTED SO EARTHWORK WILL BALANCE. CORNER STAKES ARE APPROXIMATE AND DO NOT INCLUDE ADDITIONAL AREAS NEEDED FOR SIDESLOPES AND DRAINAGES. FINAL PAD DIMENSIONS ARE TO BE VERIFIED BY THE CONTRACTOR.

DATE SURVEYED: 6/21/05

DRAWN BY: AEM

DATE DRAWN: 10/12/04

REVISION DATE: 7/19/05

FILE NAME: NEWSOM093002

CLIENT

PATINA OIL & GAS CORPORATION

PREPARED BY

TRIGON GEP
ENGINEERING • PROCUREMENT • CONSTRUCTION

Patina Oil & Gas Corp.

Drilling Plan

Newsom Federal 09 #30
Section 9, T26N – R8W
San Juan County, New Mexico

1. LOCATION:

Est. elevation: 6430'
NESW Section 9-T26N-R8W
1969' FSL 2183' FEL
San Juan, New Mexico

Field: Huerfano/Dakota Basin
Surface: United States of America
Minerals: United States of America

2. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS (TVD):

Surface formation – Nacimiento

Formation	drilling depth
Ojo Alamo	1398
Kirtland	1569
Fruitland	1847
Pictured Cliffs**	2213
Lewis	2336
TD	2636

Legend: * Freshwater bearing formation
 ** Possible hydrocarbon bearing formation
 *** Probable hydrocarbon bearing formation
 # Possible H2S bearing formation

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

3. PRESSURE CONTROL EQUIPMENT:

BOP equipment will be tested to its rated working pressure or 70-percent of the internal yield of the surface casing, but not to exceed 1,000 psi. See attachments for BOP and choke manifold diagrams.

Production Hole BOP Requirements and Test Plan

11" – 2,000 psi single ram (blind)

11" – 2,000 psi single ram (pipe)

Test as follows:

a) Pipe rams:	1,000 psi (High)	250 psi (low)
b) Choke manifold:	1,000 psi (High)	250 psi (low)
c) Choke lines:	1,000 psi (High)	250 psi (low)

All ram type preventers and related equipment will be hydraulically tested at nipple-up. They will also be retested in either of the following events:

- A pressure seal is broken.
- 30 days have elapsed since the last successful test of the equipment.

Furthermore, BOP's will be checked daily as to mechanical operating condition. All ram type preventers will have hand wheels, which will be operative and accessible at the time the preventers are installed. See attached Exhibit for details on the BOP equipment.

AUXILIARY EQUIPMENT:

- a) Manually operated kelly cock (upper and lower)
- b) Full opening manually operated safety valves in the full open position, capable of fitting all drill stem connections.

4. CASING DESIGN:

Hole Data				
Interval	Bit Size (Inches)	Casing Size (Inches)	Top (Ft)	Bottom (Ft)
Surface	12.25	9.625	0	300
Production	7 7/8	4.5	0	2636

Casing Data							
OD (Inches)	ID (Inches)	Weight (Lbs/Ft)	Grade	Thread	Collapse (psi)	Burst (psi)	Min. Tensile (Lbs)
9.625	8.921	36.0	J55	STC	2,020	3,520	394,000
4.5	4.276	11.6	N80	LTC	6,350	7,780	223,000

MINIMUM CASING DESIGN FACTORS:

COLLAPSE: 1.125
BURST: 1.00
TENSION: 1.80

Area Fracture Gradient Range: 0.7 – 0.8 psi/foot
Maximum anticipated reservoir pressure: 2,500 psi
Maximum anticipated mud weight: 9.0 ppg
Maximum surface treating pressure: 3,750 psi

Float Equipment:

Surface Casing: Guide shoe on bottom and 3 centralizers on the bottom 3 joints.

Production Casing: Float shoe on bottom joint and a float collar one joint up from float shoe. One centralizer 10 ft above float shoe and centralizers over potential hydrocarbon bearing zones. Stage tool above the Cliffhouse formation. One centralizer below stage tool and one centralizer above stage tool.

CEMENTING PROGRAMS:

9-5/8" Surface casing:

160 sx Type III cement with 3% CaCl₂, 1/4#/sx cellofakes. 100% excess to circulate cement to surface. WOC 4 hrs. Pressure test surface casing to 1000 psi for 30 minutes.

Slurry weight: 15.2 ppg
Slurry yield: 1.28 ft³/sack

Volume basis:	40' of 9-5/8" shoe joint	17 cu ft
	300' of 12-1/4" x 9-5/8" annulus	94 cu ft
	100% excess (annulus)	94 cu ft
	Total	205 cu ft

Note:

- Design top of cement is the surface.
- Have available 100 sx Type III cement with 2% CaCl₂ for top out purposes.

4 1/2" Production casing: *Circulate cement. Run CBL or TS if not circulated.*
Lead: 249 sx of Type III cement plus additives
Slurry weight: 12.0 ppg
Slurry yield: 2.55 ft³/sx
Tail: 85 sx Type III cement plus additives
Slurry weight: 13.0 ppg
Slurry yield: 2.00 ft³/sx

Volume basis:	40' of 4 1/2" shoe joint	5 cu ft
	2636' of 4 1/2" x 7 7/8" hole	632 cu ft
	<u>30% excess (annulus)</u>	<u>190 cu ft</u>
	Total	827 cu ft

Note:

1. Actual cement volumes to be based on caliper log plus 30%.

5. MUD PROGRAM:

The surface hole will be drilled with spud mud. Gel and polymer sweeps will be used from surface to 300 feet as necessary to keep hole clean.

The production hole will be drilled with water. If needed, mud up with a LSND mud. Anticipated mud weight ranges from 8.5 – 9.2 ppg. Mud weight will be increased as required to maintain hole stability and control gas influx.

Sufficient mud materials to maintain stable wellbore conditions (for either well control or lost circulation scenarios) will be maintained at the well site.

No chrome-based additives will be used in the mud system.

6. EVALUATION PROGRAM:

Mud logger: From base of surface casing to TD.

Testing: No DST is planned

Coring: None Planned

Electric logs: Production Hole:

- 1) GR-Neutron: TD to surface.
- 2) SP-LDT-DIL-CAL-PE: TD to base of surface casing

7. ABNORMAL PRESSURE AND TEMPERATURE:

H ₂ S	None
Coal	Fruitland
Minerals	None
Water	None
Static BHT	175° F
Lost Circulation	Possible
Hole Deviation	None
Abnormal Pressures	None
Unusual Drilling Problems	None

8. ANTICIPATED STARTING DATE: October 1, 2006

Anticipated duration: 16 days

BLM - FFO - Geologic Report

Date Completed

8/2/2006

Well No. Newsom Federal 9 # 30	Location 1969	FSL 2183	FWL
Lease No. SF - 078384	Sec. 9	T26N	R8W
Operator Patina Oil & Gas Corp.	County San Juan	State	New Mexico
Total Depth 2636 PBTB	Formation Pictured Cliffs		
Elevation GL 6430	Elevation KB (est.) 6442		

Geologic Formations Est. tops Subsea Elev.

San Jose Fm.	0	6442
Nacimiento Fm.	105	6337
Ojo Alamo Ss	1323	5119
Kirtland Fm.	1585	4857
Fruitland Fm.	1991	4451
Pictured Cliffs Ss Mair	2214	4228
Lewis Shale	2319	4123

Remarks

Surface/fresh water sands
 Useable water sands
 Aquifer (saline water)

 Coal/gas/probable water
 Gas

- BLM geologist's estimates for the tops of the Ojo Alamo and Fruitland fms. vary from operator's estimates in this well. TD is sufficient to test the P.C. sands.

- Surface csg. shoe will be set in a sandy or shaley interval in the Nacimiento fm.; production csg. shoe will be set in a sandy shale interval in the Lewis fm. (All fms. are expected to be competent).

- Log analysis of reference well #2 (attached worksheet) indicates: the San Jose sands investigated contain fresh water (<5,000 ppm TDS); the Nacimiento sands investigated contain useable water (<10,000 ppm TDS); the Ojo Alamo sands investigated appear to contain saline water (>10,000 ppm TDS).

1) BR (-20') Fm. Tops
 Newsom A #6E
 1800' FNL, 1850' FEL
 Sec. 15, 26N, 8W
 GL 7052' KB 7064'

2) Patina O&G Water
 Con Hole #2 Analysis
 900' FNL, 1650' FWL
 Sec. 15, 26N, 8W
 GL 7060' KB 7072'

Prepared by: Chip Harraden

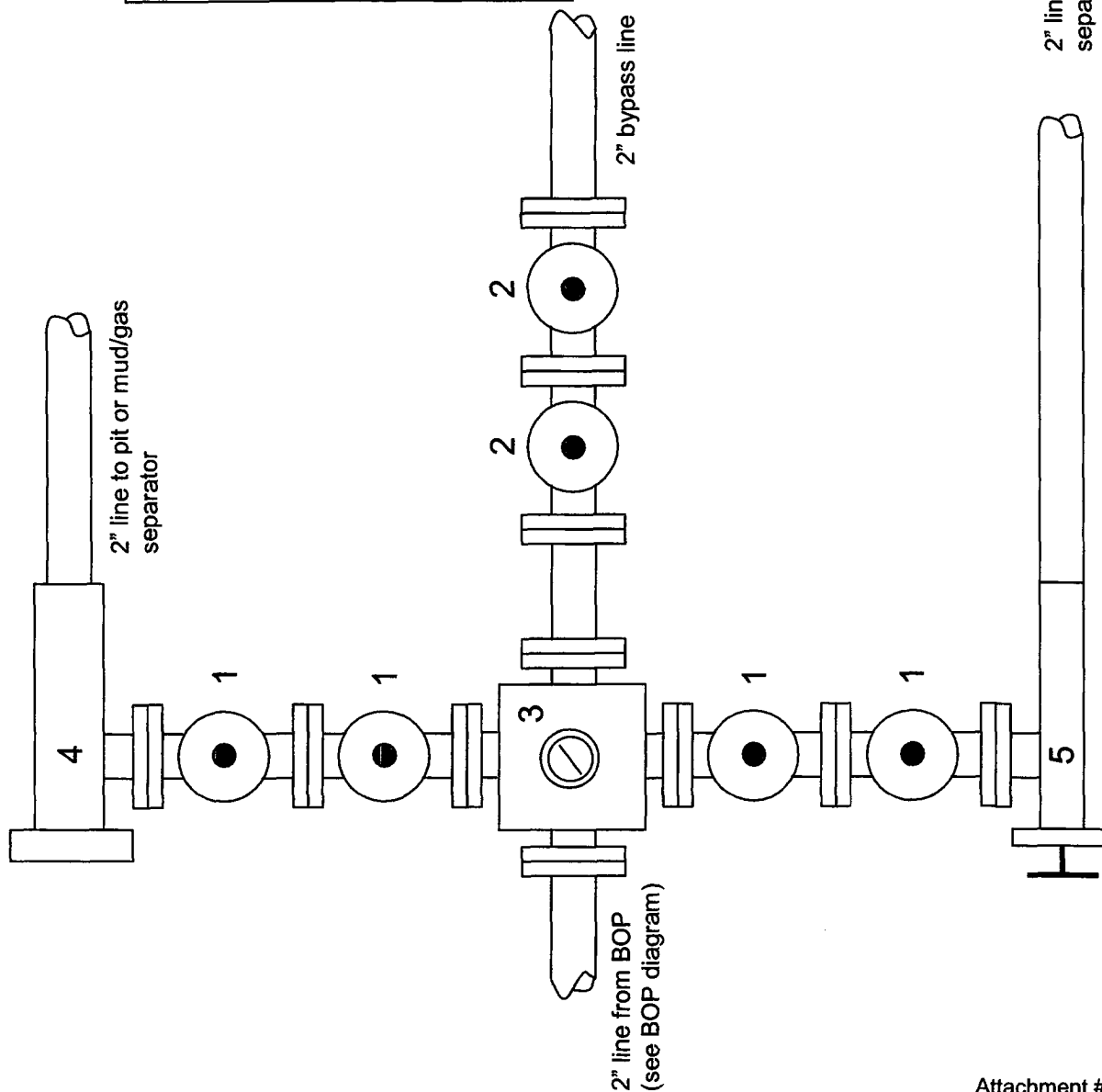
CEH

2000 psi Choke Manifold Minimum requirements

Components

- 1 – 2" Valve (2M)
- 2 – 2" Valve (2M)
- 3 – Mud cross with gauge (2M) flanged below the gage.
- 4 – Adjustable choke (2M)
- 5 – Adjustable choke (2M)

Note: All line and valve sizes listed are minimum requirements.



2000 psi BOP stack Minimum requirements

Components

- 1 - Wellhead 9-5/8" (2M)
- 2 - Drilling spool 11" (2M)
- 3 - A double or two single rams with blinds on bottom 11" (2M)
- 4 - Bell nipple*
- 5 - 2" check valve (2M)
- 6 - 2" Manual valves (2M)

*Note: Rotating head may also be used if necessary. Also, all line and valve sizes listed are minimum requirements.

